Employment in Edmonton Continues to Fall

September 9, 2016

Employment in the Edmonton region decreased by 8,500 jobs in August 2016. While employment in public administration and business services increased, the gain could not make up for job losses in professional services and information, culture and recreation. After steep job losses in the first half of 2016, employment in construction, manufacturing and energy were largely unchanged in August, suggesting that employment in these sectors is beginning to stabilize. August's losses were part-time positions with full-time employment rising modestly in the month. The Edmonton region also saw average weekly earnings continued to move up, resulting in an annual growth rate of 3.6%.

With weaker job numbers, the Edmonton CMA's unemployment rate increased from 7.7% in July to 8.0 % in August. The unemployment rate for Calgary in August 2016 was 9.0%.

Labour Force Survey Results – Edmonton Census Metropolitan Area
Three-month moving average – seasonally adjusted

	Aug 2015	July 2016	**Aug 2016**	July 2016 to Aug 2016	Aug 2015 to Aug 2016	July 2016 to Aug 2016	Aug 2015 to Aug 2016
	(000)	(000)	**(000)**	(000)	(000)	%	%
Population (15 years and older)	1104.5	1121.9	**1123.4**	1.5	18.9	0.1	1.7
Labour force	802.9	822.7	**816.2**	-6.5	13.3	-0.8	1.7
Employment	757.9	759.7	**751.2**	-8.5	-6.7	-1.1	-0.9
Unemployment	45	63	**65**	2	20	3.2	44.4
Unemployment rate (%)	5.6	7.7	**8.0**	0.3	2.4	...	...
Participation rate (%)	72.7	73.3	**72.7**	-0.6	0	...	...
Employment rate (%)	68.6	67.7	**66.9**	-0.8	-1.7	...	...

Source: Statistics Canada

Unlike Edmonton, employment in **Alberta** rose slightly in June 2016. The net job gain for the province was approximately 2,700 positions. However, like Edmonton, job gains were heavily biased toward full-time positions with an increase of 21,500 full-time positions that were partially offset by a loss of about 18,700 part-time jobs. The primary source of employment growth in Alberta in August was the energy sector. The large gain in this sector was in part due to a recovery in operations after the fires in Fort McMurray.

With this improvement in employment, Alberta's unemployment rate moved down from 8.6% to 8.4% between July 2016 and August 2016.

Employment levels were up at the national level, with significant gain in full-time employment counterbalancing losses in part-time jobs for the month of August. Most of **Canada's** job gains were in retail, public administration and health care while profession and business services along with education saw significant losses. Nonetheless, Canada's unemployment rate edged higher to 7.0% between July 2016 and August 2016 as the number of people seeking employment in Canada rose.

Significance

The recent job losses in the goods producing side of Edmonton's economy demonstrate that the region is not immune to the impact of decreased oil prices. However, the region's diverse economy has so far been able to absorb most of this negative shock and continue to expand. Moving into the fourth quarter of 2016, employment will stabilize, particularly in areas such as manufacturing and energy with the unemployment rate holding steady near the 8.0% range.

The ongoing growth in the working-age population—up 1.7% from August 2015 to August 2016— and a very strong participation rate in the labour force highlight Edmonton's relatively good job prospects when compared to the rest of Alberta. Growth in the number of job seekers has been an important factor in moderating wage increases by addressing labour and skill shortages that began to emerge in Edmonton prior to the downturn in energy prices. With Edmonton's unemployment rate now at 8.0% and good job gains in Ontario and British Columbia, net migration into the region has begun to slow down, especially when compared to the volumes seen over the past several years.

The very solid year-over-year growth in the average weekly earnings in Edmonton—up 3.6% in the past year—bodes well for the housing and retail segments of the Edmonton economy. Higher incomes along with growing full-time employment and modest inflation will provide support to consumer confidence and spending over the remainder of 2016.

Limitations

Since employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity; they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are useful predictors of future changes in incomes and consumer spending. Statistics Canada publishes a three-month moving average of all labour force values for the Edmonton region, an approach that sometimes results in the number of reported jobs lagging behind developments in the Edmonton region's economy.

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